REMARKS

This application has been reviewed in light of the FINAL REJECTION mailed December 12, 2008. Reconsideration of this application in view of the below remarks is respectfully requested. Claims 1 – 27 are pending in the application with Claim 1, 12, 17, 22, 24 and 26 being in independent form.

By the present amendment, Claims 1, 12, 17, 22, 24 and 26 are amended by way of the present amendment to recite: "…adjust an average bit rate, and a frame rate of said compressed video image data in response to changes to a free area of a recording medium for recording said compressed video image data, said adjusting occurring throughout said compressing of said non-compressed video image data…"

Also, Claims 3, 6, 9, 14 – 16 and 19 – 21 have been found to contain typographical errors, namely misspelling of "least" as "lease". In response Claims 3, 6, 9, 14 – 16 and 19 – 21 have been amended to correct the misspellings.

Since the features recited in the claims are fully supported in the disclosure as originally filed, no new subject matter is introduced into the disclosure by way of the present amendment.

Initially, Applicants thank the Examiner for conducting a telephone interview on March 18, 2009 with Applicants' representative to discuss features distinguishing the claimed invention over the prior art and proposed claim language. As discussed in the interview, the present invention adjusts a frame size, a frame rate, and an average bit rate of the compressed video image data in response to changes to parameters selected from number of frames, recording time and amount of free area on the recording medium throughout the compression process of the non-compressed video image data and that the adjusting occurs throughout the compressing of the non-compressed video image data, as particularly recited in Claim 1. In this way, the present

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invention can optimize the quality of the compressed video image data in response to changes in the number of frames, recording time and amount of free area on the recording medium.

In contrast, MacCormack et al. sets the frame size, a frame rate, and an average bit rate of the compressed video image data at the initiation of the compression process and maintains the same parameter values throughout the compression of a non-compressed video image data. Thus, if more space is made available on the recording medium during a compression process (for example by deletion of data stored on the storage medium), the MacCormack et al. disclosed system would not adjust the parameters in order to utilize the newly available space throughout the compression process. The Examiner has indicated that while a more thorough review of the lengthy prior art reference is necessary, the amendments as submitted herein are believed to at least overcome the present grounds for rejection of Claims 1 – 27.

I.   Rejection of Claims 1 – 27 Under 35 U.S.C. § 102(b)

Claims 1 – 27 are rejected by the Examiner under 35 U.S.C. § 102(b) as allegedly anticipated by U.S. Patent No. 6,144,797 issued to MacCormack et al.

The video security system disclosed in MacCormack et al. includes a compression circuit that applies a JPEG compression to the individual reference fields of the video being recorded, while the difference fields are only recorded and compressed if a significant amount of change in the scene has occurred in comparison to the reference field. A user of the MacCormack et al. system controls the recording quality of the video prior to initiation of recording, by selecting quality settings from a drop-down list. (See: Col. 86, lines 3 – 30).

There is, however, no disclosure of an encoder controller, which controls a frame size, a frame rate, and an average bit rate of the compressed video image data in response to changes to parameters selected from number of frames, recording time and amount of free area on the

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recording medium throughout the compression process of the non-compressed video image data, as recited in the claims. In this way, the present invention can optimize the quality of the compressed video image data in response to changes in the number of frames, recording time and amount of free area on the recording medium.

In contrast, MacCormack et al. sets the frame size, a frame rate, and an average bit rate of the compressed video image data at the initiation of the compression process and maintains the same parameter values throughout the compression of a non-compressed video image data. Thus, if more space is made available on the recording medium during a compression process (for example by deletion of data stored on the storage medium), the MacCormack et al. disclosed system does not adjust the parameters in order to utilize the newly available space throughout the compression process.

With regards to the free area on the recording medium, MacCormack et al. discloses two options, the first being recording data until the medium is full; and the second being recording video data on the recording medium in a continuous loop. There is no disclosure of controlling any aspect of the video compression based on changes to the amount of free space on the recording medium.

The passages cited in the present Office Action for rejecting Claim 1, namely col. 61, line 60 to col. 62, line 6; col. 62, lines 25 – 46 and col. 86, lines 16 – 30, as well as cited FIG. 136 do not provide any disclosure with respect to adjusting a frame size, a frame rate, and an average bit rate of the compressed video image data in response to changes to a free area of a recording medium for recording the compressed video image data throughout the compressing of the non-compressed video image data.

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It is well-settled by the Courts that "[A]nticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Company, et al., 730 F.2d 1452, 221 USPQ 481 (Fed. Cir., 1984).

Therefore, as demonstrated above, because MacCormack et al. does not disclose each and every element recited in the present claims, Applicants respectfully submit that the rejection has been obviated. Accordingly, Applicants respectfully request withdrawal of the rejection with respect to Claims 1 - 27 under 35 U.S.C. § 102(b).

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CONCLUSIONS

In view of the foregoing amendments and remarks, it is respectfully submitted that all claims presently pending in the application, namely, Claims 1 – 27 are believed to be in condition for allowance and patentably distinguishable over the art of record.

If the Examiner should have any questions concerning this communication or feels that an interview would be helpful, the Examiner is requested to call Applicant's undersigned attorney at the number indicated below.

Respectfully submitted,

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